

106TH CONGRESS
1ST SESSION

S. 1889

To amend the Congressional Budget Act of 1974 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending, accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, modifications in paygo requirements when there is an on-budget surplus, and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 9, 1999

Mr. GRAMS introduced the following bill; which was read twice and referred jointly pursuant to the order of August 4, 1977, to the Committees on the Budget and Governmental Affairs, with instructions that if one Committee reports, the other Committee has thirty days to report or be discharged.

A BILL

To amend the Congressional Budget Act of 1974 to provide for joint resolutions on the budget, reserve funds for emergency spending, strengthened enforcement of budgetary decisions, increased accountability for Federal spending, accrual budgeting for Federal insurance programs, mitigation of the bias in the budget process toward higher spending, modifications in paygo requirements when there is an on-budget surplus, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) **SHORT TITLE.**—This Act may be cited as the
 5 “Comprehensive Budget Process Reform Act of 1999”.

6 (b) **TABLE OF CONTENTS.**—

- Sec. 1. Short title; table of contents.
- Sec. 2. Purpose.
- Sec. 3. Effective date.
- Sec. 4. Declaration of purposes for the Budget Act.

TITLE I—BUDGET WITH FORCE OF LAW

- Sec. 101. Purposes.
- Sec. 102. The timetable.
- Sec. 103. Annual joint resolutions on the budget.
- Sec. 104. Budget required before spending bills may be considered; fall-back
procedures if President vetoes joint budget resolution.
- Sec. 105. Conforming amendments to effectuate joint resolutions on the budget.

TITLE II—RESERVE FUND FOR EMERGENCIES

- Sec. 201. Purpose.
- Sec. 202. Repeal of adjustments for emergencies.
- Sec. 203. OMB emergency criteria.
- Sec. 204. Development of guidelines for application of emergency definition.
- Sec. 205. Reserve fund for emergencies in President’s budget.
- Sec. 206. Adjustments and reserve fund for emergencies in joint budget resolu-
tions.
- Sec. 207. Up-to-date tabulations.
- Sec. 208. Prohibition on amendments to emergency reserve fund.
- Sec. 209. Effective date.

TITLE III—ENFORCEMENT OF BUDGETARY DECISIONS

- Sec. 301. Purposes.

Subtitle A—Application of Points of Order to Unreported Legislation

- Sec. 311. Application of Budget Act points of order to unreported legislation.

Subtitle B—Compliance with Budget Resolution

- Sec. 321. Budget compliance statements.

Subtitle C—Justification for Budget Act Waivers

- Sec. 331. Justification for Budget Act waivers in the House of Representatives.

Subtitle D—CBO Scoring of Conference Reports

Sec. 341. CBO scoring of conference reports.

TITLE IV—ACCOUNTABILITY FOR FEDERAL SPENDING

Sec. 401. Purposes.

Subtitle A—Limitations on Direct Spending

Sec. 411. Fixed-year authorizations required for new programs.

Sec. 412. Amendments to subject new direct spending to annual appropriations.

Subtitle B—Enhanced Congressional Oversight Responsibilities

Sec. 421. Ten-year congressional review requirement of permanent budget authority.

Sec. 422. Justifications of direct spending.

Sec. 423. Survey of activity reports of House committees.

Sec. 424. Continuing study of additional budget process reforms.

Sec. 425. GAO reports.

Subtitle C—Strengthened Accountability

Sec. 431. Ten-year CBO estimates.

Sec. 432. Repeal of rule XXIII of the Rules of the House of Representatives.

TITLE V—BUDGETING FOR UNFUNDED LIABILITIES AND OTHER LONG-TERM OBLIGATIONS

Sec. 501. Purposes.

Subtitle A—Budgetary Treatment of Federal Insurance Programs

Sec. 511. Federal insurance programs.

Subtitle B—Reports on Long-Term Budgetary Trends

Sec. 521. Reports on long-term budgetary trends.

TITLE VI—BASELINE, BYRD RULE, LOCK-BOX, AND AUTOMATIC CONTINUING RESOLUTION

Sec. 601. Purpose.

Subtitle A—The Baseline

Sec. 611. The President's budget.

Sec. 612. The congressional budget.

Sec. 613. Congressional Budget Office reports to committees.

Sec. 614. Outyear assumptions for discretionary spending.

Subtitle B—The Byrd Rule

Sec. 621. Limitation on Byrd rule.

Subtitle C—Spending Accountability Lock-Box

Sec. 631. Short title.

Sec. 632. Spending accountability lock-box ledger.

Sec. 633. Downward adjustment of section 302(a) allocations and section 302(b) suballocations.

Sec. 634. Periodic reporting of ledger statements.

Sec. 635. Downward adjustment of discretionary spending limits.

Subtitle D—Automatic Continuing Resolution

Sec. 641. Automatic continuing resolution.

TITLE VII—BUDGETING IN AN ERA OF SURPLUSES

Sec. 701. Paygo requirements and the on-budget surplus.

TITLE VIII—SOCIAL SECURITY SURPLUS PROTECTION ACT OF
1999

Sec. 801. Short title.

Sec. 802. Sequester to protect the social security surplus.

1 **SEC. 2. PURPOSE.**

2 The purposes of this Act are to—

3 (1) give the budget the force of law;

4 (2) budget for emergencies;

5 (3) display the unfunded liabilities of Federal
6 insurance programs;

7 (4) strengthen enforcement of budgetary deci-
8 sions;

9 (5) increase accountability for Federal spend-
10 ing;

11 (6) mitigate the bias in the budget process to-
12 ward higher spending; and

13 (7) modify paygo requirements when there is an
14 on-budget surplus.

15 **SEC. 3. EFFECTIVE DATE.**

16 Except as otherwise specifically provided, this Act
17 and the amendments made by this Act shall become effec-
18 tive on the date of enactment of this Act and shall apply

1 with respect to fiscal years beginning after September 30,
2 2000.

3 **SEC. 4. DECLARATION OF PURPOSES FOR THE BUDGET**
4 **ACT.**

5 Paragraphs (1) and (2) of section 2 of the Congres-
6 sional Budget and Impoundment Control Act of 1974 are
7 amended to read as follows:

8 “(1) to assure effective control over the budg-
9 etary process;

10 “(2) to facilitate the determination each year of
11 the appropriate level of Federal revenues and ex-
12 penditures by the Congress and the President;”.

13 **TITLE I—BUDGET WITH FORCE**
14 **OF LAW**

15 **SEC. 101. PURPOSES.**

16 The purposes of this title are to—

17 (1) focus initial budgetary deliberations on ag-
18 gregate levels of Federal spending and taxation;

19 (2) encourage cooperation between Congress
20 and the President in developing overall budgetary
21 priorities; and

22 (3) reach budgetary decisions early in the legis-
23 lative cycle.

1 **SEC. 102. THE TIMETABLE.**

2 Section 300 of the Congressional Budget Act of 1974
3 is amended to read as follows:

4 “TIMETABLE

5 “SEC. 300. The timetable with respect to the congres-
6 sional budget process for any fiscal year is as follows:

“On or before:

First Monday in February
February 15

Not later than 6 weeks after Presi-
dent submits budget.
April 1
April 15
June 10
June 15
June 30
October 1

Action to be completed:

President submits his budget.
Congressional Budget Office submits
report to Budget Committees.
Committees submit views and esti-
mates to Budget Committees.
Senate Budget Committee reports
joint resolution on the budget.
Congress completes action on joint
resolution on the budget.
House Appropriations Committee re-
ports last annual appropriation bill.
Congress completes action on rec-
onciliation legislation.
House completes action on annual ap-
propriation bills.
Fiscal year begins.”.

7 **SEC. 103. ANNUAL JOINT RESOLUTIONS ON THE BUDGET.**

8 (a) CONTENT OF ANNUAL JOINT RESOLUTIONS ON
9 THE BUDGET.—Section 301(a) of the Congressional
10 Budget Act of 1974 is amended as follows:

11 (1) Strike paragraph (4) and insert the fol-
12 lowing new paragraph:

13 “(4) subtotals of new budget authority and out-
14 lays for nondefense discretionary spending, defense
15 discretionary spending, direct spending (excluding
16 interest), and interest; and for fiscal years to which
17 the amendments made by title II of the Comprehen-

1 sive Budget Process Reform Act of 1999 apply, sub-
 2 totals of new budget authority and outlays for emer-
 3 gencies;”.

4 (2) Strike the last sentence of such subsection.

5 (b) ADDITIONAL MATTERS IN JOINT RESOLUTION.—

6 Section 301(b) of the Congressional Budget Act of 1974
 7 is amended as follows:

8 (1) Strike paragraphs (2), (4), (6), (8), and (9)
 9 and redesignate paragraph (7) as paragraph (6).

10 (2) After paragraph (1), insert the following
 11 new paragraph:

12 “(2) if submitted by the Committee on Ways
 13 and Means of the House of Representatives or the
 14 Committee on Finance of the Senate to the Com-
 15 mittee on the Budget of that House of Congress,
 16 amend section 3101 of title 31, United States Code,
 17 to change the statutory limit on the public debt;”.

18 (3) After paragraph (3), insert the following
 19 new paragraph:

20 “(4) require such other congressional proce-
 21 dures, relating to the budget, as may be appropriate
 22 to carry out the purposes of this Act;”.

23 (c) REQUIRED CONTENTS OF REPORT.—Section
 24 301(e)(2) of the Congressional Budget Act of 1974 is
 25 amended as follows:

1 (1) Redesignate subparagraphs (A), (B), (C),
 2 (D), (E), and (F) as subparagraphs (B), (C), (E),
 3 (F), (H), and (I), respectively.

4 (2) Before subparagraph (B) (as redesignated),
 5 insert the following new subparagraph:

6 “(A) new budget authority and outlays for
 7 each major functional category, based on alloca-
 8 tions of the total levels set forth pursuant to
 9 subsection (a)(1);”.

10 (3) In subparagraph (C) (as redesignated),
 11 strike “mandatory” and insert “direct spending”.

12 (4) After subparagraph (C) (as redesignated),
 13 insert the following new subparagraph:

14 “(D) a measure, as a percentage of gross
 15 domestic product, of total outlays, total Federal
 16 revenues, the surplus or deficit, and new out-
 17 lays for nondefense discretionary spending, de-
 18 fense spending, and direct spending as set forth
 19 in such resolution;”.

20 (5) After subparagraph (F) (as redesignated),
 21 insert the following new subparagraph:

22 “(G) if the joint resolution on the budget
 23 includes any allocation to a committee (other
 24 than the Committee on Appropriations) of levels
 25 in excess of current law levels, a justification

1 for not subjecting any program, project, or ac-
 2 tivity (for which the allocation is made) to an-
 3 nual discretionary appropriations;”.

4 (d) ADDITIONAL CONTENTS OF REPORT.—Section
 5 301(e)(3) of the Congressional Budget Act of 1974 is
 6 amended as follows:

7 (1) Redesignate subparagraphs (A) and (B) as
 8 subparagraphs (B) and (C), respectively, strike sub-
 9 paragraphs (C) and (D), and redesignate subpara-
 10 graph (E) as subparagraph (D).

11 (2) Before subparagraph (B), insert the fol-
 12 lowing new subparagraph:

13 “(A) reconciliation directives described in
 14 section 310;”.

15 (e) PRESIDENT’S BUDGET SUBMISSION TO THE CON-
 16 GRESS.—(1) The first two sentences of section 1105(a)
 17 of title 31, United States Code, are amended to read as
 18 follows:

19 “On or after the first Monday in January but not later
 20 than the first Monday in February of each year the Presi-
 21 dent shall submit a budget of the United States Govern-
 22 ment for the following fiscal year which shall set forth the
 23 following levels:

24 “(A) totals of new budget authority and out-
 25 lays;

1 “(B) total Federal revenues and the amount, if
 2 any, by which the aggregate level of Federal reve-
 3 nues should be increased or decreased by bills and
 4 resolutions to be reported by the appropriate com-
 5 mittees;

6 “(C) the surplus or deficit in the budget;

7 “(D) subtotals of new budget authority and
 8 outlays for nondefense discretionary spending, de-
 9 fense discretionary spending, direct spending, and
 10 interest; and for fiscal years to which the amend-
 11 ments made by title II of the Comprehensive Budget
 12 Process Reform Act of 1999 apply, subtotals of new
 13 budget authority and outlays for emergencies; and

14 “(E) the public debt.

15 Each budget submission shall include a budget message
 16 and summary and supporting information and, as a sepa-
 17 rately delineated statement, the levels required in the pre-
 18 ceding sentence for at least each of the 9 ensuing fiscal
 19 years.”.

20 (2) The third sentence of section 1105(a) of title 31,
 21 United States Code, is amended by inserting “submission”
 22 after “budget”.

23 (f) LIMITATION ON CONTENTS OF BUDGET RESOLU-
 24 TIONS.—Section 305 of the Congressional Budget Act of

1 1974 is amended by adding at the end the following new
 2 subsection:

3 “(e) LIMITATION ON CONTENTS.—(1) It shall not be
 4 in order in the House of Representatives or in the Senate
 5 to consider any joint resolution on the budget or any
 6 amendment thereto or conference report thereon that con-
 7 tains any matter referred to in paragraph (2).

8 “(2) Any joint resolution on the budget or any
 9 amendment thereto or conference report thereon that con-
 10 tains any matter not permitted in section 301(a) or (b)
 11 shall not be treated in the House of Representatives or
 12 the Senate as a budget resolution under subsection (a) or
 13 (b) or as a conference report on a budget resolution under
 14 subsection (c) of this section.”.

15 **SEC. 104. BUDGET REQUIRED BEFORE SPENDING BILLS**
 16 **MAY BE CONSIDERED; FALL-BACK PROCE-**
 17 **DURES IF PRESIDENT VETOES JOINT BUDG-**
 18 **ET RESOLUTION.**

19 (a) AMENDMENTS TO SECTION 302.—Section 302(a)
 20 of the Congressional Budget Act of 1974 is amended by
 21 striking paragraph (5).

22 (b) AMENDMENTS TO SECTION 303 AND CON-
 23 FORMING AMENDMENTS.—(1) Section 303 of the Con-
 24 gressional Budget Act of 1974 is amended—

1 (A) in subsection (b), by striking paragraph
 2 (2), by inserting “or” at the end of paragraph (1),
 3 and by redesignating paragraph (3) as paragraph
 4 (2); and

5 (B) by striking its section heading and inserting
 6 the following new section heading: “CONSIDERATION
 7 OF BUDGET-RELATED LEGISLATION BEFORE BUDG-
 8 ET BECOMES LAW”.

9 (2) Section 302(g)(1) of the Congressional Budget
 10 Act of 1974 is amended by striking “and, after April 15,
 11 section 303(a)”.

12 (3)(A) Section 904(c)(1) of the Congressional Budget
 13 Act of 1974 is amended by inserting “303(a),” before
 14 “305(b)(2),”.

15 (B) Section 904(d)(2) of the Congressional Budget
 16 Act of 1974 is amended by inserting “303(a),” before
 17 “305(b)(2),”.

18 (c) EXPEDITED PROCEDURES UPON VETO OF JOINT
 19 RESOLUTION ON THE BUDGET.—(1) Title III of the Con-
 20 gressional Budget Act of 1974 is amended by adding after
 21 section 315 the following new section:

22 “EXPEDITED PROCEDURES UPON VETO OF JOINT
 23 RESOLUTION ON THE BUDGET

24 “SEC. 316. (a) SPECIAL RULE.—If the President ve-
 25 toes a joint resolution on the budget for a fiscal year, the
 26 majority leader of the House of Representatives or Senate

1 (or his designee) may introduce a concurrent resolution
 2 on the budget or joint resolution on the budget for such
 3 fiscal year. If the Committee on the Budget of either
 4 House fails to report such concurrent or joint resolution
 5 referred to it within five calendar days (excluding Satur-
 6 days, Sundays, or legal holidays except when that House
 7 of Congress is in session) after the date of such referral,
 8 the committee shall be automatically discharged from fur-
 9 ther consideration of such resolution and such resolution
 10 shall be placed on the appropriate calendar.

11 “(b) PROCEDURE IN THE HOUSE OF REPRESENTA-
 12 TIVES AND THE SENATE.—

13 “(1) Except as provided in paragraph (2), the
 14 provisions of section 305 for the consideration in the
 15 House of Representatives and in the Senate of joint
 16 resolutions on the budget and conference reports
 17 thereon shall also apply to the consideration of con-
 18 current resolutions on the budget introduced under
 19 subsection (a) and conference reports thereon.

20 “(2) Debate in the Senate on any concurrent
 21 resolution on the budget or joint resolution on the
 22 budget introduced under subsection (a), and all
 23 amendments thereto and debatable motions and ap-
 24 peals in connection therewith, shall be limited to not

1 more than 10 hours and in the House such debate
 2 shall be limited to not more than 3 hours.

3 “(c) CONTENTS OF CONCURRENT RESOLUTIONS.—

4 Any concurrent resolution on the budget introduced under
 5 subsection (a) shall be in compliance with section 301.

6 “(d) EFFECT OF CONCURRENT RESOLUTION ON THE
 7 BUDGET.—Notwithstanding any other provision of this
 8 title, whenever a concurrent resolution on the budget de-
 9 scribed in subsection (a) is agreed to, then the aggregates,
 10 allocations, and reconciliation directives (if any) contained
 11 in the report accompanying such concurrent resolution or
 12 in such concurrent resolution shall be considered to be the
 13 aggregates, allocations, and reconciliation directives for all
 14 purposes of sections 302, 303, and 311 for the applicable
 15 fiscal years and such concurrent resolution shall be
 16 deemed to be a joint resolution for all purposes of this
 17 title and the Rules of the House of Representatives and
 18 any reference to the date of enactment of a joint resolution
 19 on the budget shall be deemed to be a reference to the
 20 date agreed to when applied to such concurrent resolu-
 21 tion.”.

22 (2) The table of contents set forth in section 1(b) of
 23 the Congressional Budget and Impoundment Control Act
 24 of 1974 is amended by inserting after the item relating
 25 to section 315 the following new item:

“Sec. 316. Expedited procedures upon veto of joint resolution on the budget.”.

1 **SEC. 105. CONFORMING AMENDMENTS TO EFFECTUATE**
 2 **JOINT RESOLUTIONS ON THE BUDGET.**

3 (a) CONFORMING AMENDMENTS TO THE CONGRES-
 4 SIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF
 5 1974.—(1)(A) Sections 301, 302, 303, 305, 308, 310,
 6 311, 312, 314, 405, and 904 of the Congressional Budget
 7 Act of 1974 (2 U.S.C. 621 et seq.) are amended by strik-
 8 ing “concurrent” each place it appears and by inserting
 9 “joint”.

10 (B)(i) Sections 302(d), 302(g), 308(a)(1)(A), and
 11 310(d)(1) of the Congressional Budget Act of 1974 are
 12 amended by striking “most recently agreed to concurrent
 13 resolution on the budget” each place it occurs and insert-
 14 ing “most recently enacted joint resolution on the budget
 15 or agreed to concurrent resolution on the budget (as appli-
 16 cable)”.

17 (ii) The section heading of section 301 is amended
 18 by striking “adoption of concurrent resolution” and insert-
 19 ing “joint resolutions”;

20 (iii) Section 304 of such Act is amended to read as
 21 follows:

22 “PERMISSIBLE REVISIONS OF BUDGET RESOLUTIONS

23 “SEC. 304. At any time after the joint resolution on
 24 the budget for a fiscal year has been enacted pursuant
 25 to section 301, and before the end of such fiscal year, the
 26 two Houses and the President may enact a joint resolution

1 on the budget which revises or reaffirms the joint resolu-
 2 tion on the budget for such fiscal year most recently en-
 3 acted. If a concurrent resolution on the budget has been
 4 agreed to pursuant to section 316, then before the end
 5 of such fiscal year, the two Houses may adopt a concur-
 6 rent resolution on the budget which revises or reaffirms
 7 the concurrent resolution on the budget for such fiscal
 8 year most recently agreed to.”.

9 (C) Sections 302, 303, 310, and 311, of such Act
 10 are amended by striking “agreed to” each place it appears
 11 and by inserting “enacted”.

12 (2)(A) Paragraph (4) of section 3 of the Congres-
 13 sional Budget and Impoundment Control Act of 1974 is
 14 amended by striking “concurrent” each place it appears
 15 and by inserting “joint”.

16 (B) The table of contents set forth in section 1(b)
 17 of such Act is amended—

18 (i) in the item relating to section 301, by strik-
 19 ing “adoption of concurrent resolution” and insert-
 20 ing “joint resolutions”;

21 (ii) by striking the item relating to section 303
 22 and inserting the following:

“Sec. 303. Consideration of budget-related legislation before budget becomes
 law.”;

23 (iii) in the item relating to section 304, by
 24 striking “concurrent” and inserting “budget” the

1 first place it appears and by striking “on the budg-
 2 et”; and

3 (iv) by striking “concurrent” and inserting
 4 “joint” in the item relating to section 305.

5 (b) CONFORMING AMENDMENTS TO THE RULES OF
 6 THE HOUSE OF REPRESENTATIVES.—(1) Clauses 1(e)(1),
 7 4(a)(4), 4(b)(2), 4(f)(1)(A), and 4(f)(2) of rule X, clause
 8 10 of rule XVIII, and clause 10 of rule XX of the Rules
 9 of the House of Representatives are amended by striking
 10 “concurrent” each place it appears and inserting “joint”.

11 (2) Clause 10 of rule XVIII of the Rules of the House
 12 of Representatives is amended—

13 (A) in paragraph (b)(2), by striking “(5)” and
 14 inserting “(6)”; and

15 (B) by striking paragraph (c).

16 (c) CONFORMING AMENDMENTS TO THE BALANCED
 17 BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF
 18 1985.—Section 258C(b)(1) of the Balanced Budget and
 19 Emergency Deficit Control Act of 1985 (2 U.S.C.
 20 907d(b)(1)) is amended by striking “concurrent” and in-
 21 serting “joint”.

22 (d) CONFORMING AMENDMENTS TO SECTION 310
 23 REGARDING RECONCILIATION DIRECTIVES.—(1) The side
 24 heading of section 310(a) of the Congressional Budget Act
 25 of 1974 (as amended by section 105(a)) is further amend-

1 ed by inserting “JOINT EXPLANATORY STATEMENT AC-
2 COMPANYING CONFERENCE REPORT ON” before “JOINT”.

3 (2) Section 310(a) of such Act is amended by striking
4 “A” and inserting “The joint explanatory statement ac-
5 companying the conference report on a”.

6 (3) The first sentence of section 310(b) of such Act
7 is amended by striking “If” and inserting “If the joint
8 explanatory statement accompanying the conference re-
9 port on”.

10 (4) Section 310(c)(1) of such Act is amended by in-
11 serting “the joint explanatory statement accompanying
12 the conference report on” after “pursuant to”.

13 (5) Subsection (g) of section 310 of such Act is re-
14 pealed.

15 (e) CONFORMING AMENDMENTS TO SECTION 3 RE-
16 GARDING DIRECT SPENDING.—Section 3 of the Congres-
17 sional Budget and Impoundment Control Act of 1974 is
18 amended by adding at the end the following new para-
19 graph:

20 “(11) The term ‘direct spending’ has the mean-
21 ing given to such term in section 250(c)(8) of the
22 Balanced Budget and Emergency Deficit Control
23 Act of 1985.”.

1 (f) TECHNICAL AMENDMENT REGARDING REVISED
 2 SUBALLOCATIONS.—Section 314(d) of the Congressional
 3 Budget Act of 1974 is amended by—

4 (1) striking “REPORTING” in the side heading,
 5 by inserting “the chairmen of” before “the Commit-
 6 tees”, and by striking “may report” and inserting
 7 “shall make and have published in the Congressional
 8 Record”; and

9 (2) adding at the end the following new sen-
 10 tence: “For purposes of considering amendments
 11 (other than for amounts for emergencies covered by
 12 subsection (b)(1)), suballocations shall be deemed to
 13 be so adjusted.”.

14 **TITLE II—RESERVE FUND FOR** 15 **EMERGENCIES**

16 **SEC. 201. PURPOSE.**

17 The purposes of this title are to—

18 (1) develop budgetary and fiscal procedures for
 19 emergencies;

20 (2) subject spending for emergencies to budg-
 21 etary procedures and controls; and

22 (3) establish criteria for determining compliance
 23 with emergency requirements.

1 **SEC. 202. REPEAL OF ADJUSTMENTS FOR EMERGENCIES.**

2 (a) DISCRETIONARY SPENDING LIMITS.—(1) Section
3 251(b)(2)(A) of the Balanced Budget and Emergency
4 Deficit Control Act of 1985 is repealed.

5 (2) Such section 251(b)(2) is further amended by re-
6 designating subparagraphs (B) through (G) as subpara-
7 graphs (A) through (F).

8 (b) DIRECT SPENDING.—Sections 252(e) and
9 252(d)(4)(B) of the Balanced Budget and Emergency
10 Deficit Control Act of 1985 are repealed.

11 (c) EMERGENCY DESIGNATION.—Clause 2 of rule
12 XXI of the Rules of the House of Representatives is
13 amended by repealing paragraph (e) and by redesignating
14 paragraph (f) as paragraph (e).

15 (d) AMOUNT OF ADJUSTMENTS.—Section 314(b) of
16 the Congressional Budget Act of 1974 is amended by
17 striking paragraph (1) and by redesignating paragraphs
18 (2) through (6) as paragraphs (1) through (5), respec-
19 tively.

20 **SEC. 203. OMB EMERGENCY CRITERIA.**

21 Section 3 of the Congressional Budget and Impound-
22 ment Control Act of 1974 (as amended by section 105(e))
23 is further amended by adding at the end the following new
24 paragraph:

25 “(12)(A) The term ‘emergency’ means a situa-
26 tion that—

1 “(i) requires new budget authority and
 2 outlays (or new budget authority and the out-
 3 lays flowing therefrom) for the prevention or
 4 mitigation of, or response to, loss of life or
 5 property, or a threat to national security; and

6 “(ii) is unanticipated.

7 “(B) As used in subparagraph (A), the term
 8 ‘unanticipated’ means that the situation is—

9 “(i) sudden, which means quickly coming
 10 into being or not building up over time;

11 “(ii) urgent, which means a pressing and
 12 compelling need requiring immediate action;

13 “(iii) unforeseen, which means not pre-
 14 dicted or anticipated as an emerging need; and

15 “(iv) temporary, which means not of a per-
 16 manent duration.”.

17 **SEC. 204. DEVELOPMENT OF GUIDELINES FOR APPLICA-**
 18 **TION OF EMERGENCY DEFINITION.**

19 Not later than 5 months after the date of enactment
 20 of this Act, the chairmen of the Committees on the Budget
 21 (in consultation with the President) shall, after consulting
 22 with the chairmen of the Committees on Appropriations
 23 and applicable authorizing committees of their respective
 24 Houses and the Directors of the Congressional Budget Of-
 25 fice and the Office of Management and Budget, jointly

1 publish in the Congressional Record guidelines for applica-
 2 tion of the definition of emergency set forth in section
 3 3(12) of the Congressional Budget and Impoundment
 4 Control Act of 1974.

5 **SEC. 205. RESERVE FUND FOR EMERGENCIES IN PRESI-**
 6 **DENT'S BUDGET.**

7 Section 1105(f) of title 31, United States Code is
 8 amended by adding at the end the following new sen-
 9 tences: "Such budget submission shall also comply with
 10 the requirements of section 317(b) of the Congressional
 11 Budget Act of 1974 and, in the case of any budget author-
 12 ity requested for an emergency, such submission shall in-
 13 clude a detailed justification of why such emergency is an
 14 emergency within the meaning of section 3(12) of the Con-
 15 gressional Budget Act of 1974."

16 **SEC. 206. ADJUSTMENTS AND RESERVE FUND FOR EMER-**
 17 **GENCIES IN JOINT BUDGET RESOLUTIONS.**

18 (a) EMERGENCIES.—Title III of the Congressional
 19 Budget Act of 1974 (as amended by section 104(c)) is
 20 further amended by adding at the end the following new
 21 section:

22 "EMERGENCIES

23 "SEC. 317. (a) ADJUSTMENTS.—

24 "(1) IN GENERAL.—After the reporting of a bill
 25 or joint resolution or the submission of a conference
 26 report thereon that provides budget authority for

1 any emergency as identified pursuant to subsection
 2 (c), the Committee on the Budget of the House of
 3 Representatives or the Senate shall—

4 “(A) determine and certify, pursuant to
 5 the guidelines referred to in section 204 of the
 6 Comprehensive Budget Process Reform Act of
 7 1999, the portion (if any) of the amount so
 8 specified that is for an emergency within the
 9 meaning of section 3(12); and

10 “(B) make the adjustment set forth in
 11 paragraph (2) for the amount of new budget
 12 authority (or outlays) in that measure and the
 13 outlays flowing from that budget authority.

14 “(2) MATTERS TO BE ADJUSTED.—The adjust-
 15 ments referred to in paragraph (1) are to be made
 16 to the allocations made pursuant to the appropriate
 17 joint resolution on the budget (or concurrent resolu-
 18 tion on the budget, as the case may be) pursuant to
 19 section 302(a) and shall be in an amount not to ex-
 20 ceed the amount reserved for emergencies pursuant
 21 to the requirements of subsection (b).

22 “(b) RESERVE FUND FOR EMERGENCIES.—

23 “(1) AMOUNTS.—The amount set forth in the
 24 reserve fund for emergencies for budget authority

1 and outlays for a fiscal year pursuant to section
 2 301(a)(4) shall equal—

3 “(A) the average of the enacted levels of
 4 budget authority for emergencies in the 5 fiscal
 5 years preceding the current year; and

6 “(B) the average of the levels of outlays
 7 for emergencies in the 5 fiscal years preceding
 8 the current year flowing from the budget au-
 9 thority referred to in subparagraph (A), but
 10 only in the fiscal year for which such budget
 11 authority first becomes available for obligation.

12 “(2) AVERAGE LEVELS.—For purposes of para-
 13 graph (1), the amount used for a fiscal year to cal-
 14 culate the average of the enacted levels when one or
 15 more of such 5 preceding fiscal years is any of fiscal
 16 years 1994 through 1998 is as follows: the amount
 17 of enacted levels of budget authority and the amount
 18 of new outlays flowing therefrom for emergencies,
 19 but only in the fiscal year for which such budget au-
 20 thority first becomes available for obligation for each
 21 of such 5 fiscal years, which shall be determined by
 22 the Committees on the Budget of the House of Rep-
 23 resentatives and the Senate after receipt of a report
 24 on such matter transmitted to such committees by
 25 the Director of the Congressional Budget Office 6

1 months after the date of enactment of this section
 2 and thereafter in February of each calendar year.

3 “(c) COMMITTEE NOTIFICATION OF EMERGENCY
 4 LEGISLATION.—Whenever any committee of either House
 5 (including a committee of conference) reports any bill or
 6 joint resolution that provides budget authority for any
 7 emergency, the report accompanying that bill or joint reso-
 8 lution (or the joint explanatory statement of managers in
 9 the case of a conference report on any such bill or joint
 10 resolution) shall identify all provisions that provide budget
 11 authority and the outlays flowing therefrom for such emer-
 12 gency and include a statement of the reasons why such
 13 budget authority meets the definition of an emergency
 14 pursuant to the guidelines referred to in section 204 of
 15 the Comprehensive Budget Process Reform Act of 1999.”.

16 (b) CONFORMING AMENDMENT.—The table of con-
 17 tents set forth in section 1(b) of the Congressional Budget
 18 and Impoundment Control Act of 1974 is amended by in-
 19 serting after the item relating to section 316 the following
 20 new item:

“Sec. 317. Emergencies.”.

21 **SEC. 207. UP-TO-DATE TABULATIONS.**

22 Section 308(b)(2) of the Congressional Budget Act
 23 of 1974 is amended by striking “and” at the end of sub-
 24 paragraph (B), by striking the period at the end of sub-

1 paragraph (C) and inserting “; and”, and by adding at
 2 the end the following new subparagraph:

3 “(D) shall include an up-to-date tabulation
 4 of amounts remaining in the reserve fund for
 5 emergencies.”.

6 **SEC. 208. PROHIBITION ON AMENDMENTS TO EMERGENCY**
 7 **RESERVE FUND.**

8 (a) POINT OF ORDER.—Section 305 of the Congres-
 9 sional Budget Act of 1974 (as amended by section 103(c))
 10 is further amended by adding at the end the following new
 11 subsection:

12 “(f) POINT OF ORDER REGARDING EMERGENCY RE-
 13 SERVE FUND.—It shall not be in order in the House of
 14 Representatives or in the Senate to consider an amend-
 15 ment to a joint resolution on the budget (or concurrent
 16 resolution on the budget, as the case may be) which
 17 changes the amount of budget authority and outlays set
 18 forth in section 301(a)(4) for emergency reserve fund.”.

19 (b) TECHNICAL AMENDMENT.—(1) Section 904(c)(1)
 20 of the Congressional Budget Act of 1974 is amended by
 21 inserting “305(e), 305(f),” after “305(c)(4),”.

22 (2) Section 904(d)(2) of the Congressional Budget
 23 Act of 1974 is amended by inserting “305(e), 305(f),”
 24 after “305(c)(4),”.

1 **SEC. 209. EFFECTIVE DATE.**

2 The amendments made by this title shall apply to fis-
3 cal year 2001 and subsequent fiscal years, but such
4 amendments shall take effect only after the enactment of
5 legislation changing or extending for any fiscal year the
6 budgetary procedures set forth in sections 251 and 252
7 of the Balanced Budget and Emergency Deficit Control
8 Act of 1985.

9 **TITLE III—ENFORCEMENT OF**
10 **BUDGETARY DECISIONS**

11 **SEC. 301. PURPOSES.**

12 The purposes of this title are to—

13 (1) close loopholes in the enforcement of budget
14 resolutions;

15 (2) require committees of the House of Rep-
16 resentatives to include budget compliance statements
17 in reports accompanying all legislation;

18 (3) require committees of the House of Rep-
19 resentatives to justify the need for waivers of the
20 Congressional Budget Act of 1974; and

21 (4) provide cost estimates of conference reports.

1 **Subtitle A—Application of Points of** 2 **Order to Unreported Legislation**

3 **SEC. 311. APPLICATION OF BUDGET ACT POINTS OF ORDER** 4 **TO UNREPORTED LEGISLATION.**

5 (a) Section 315 of the Congressional Budget Act of
6 1974 is amended by striking “reported” the first place it
7 appears.

8 (b) Section 303(b) of the Congressional Budget Act
9 of 1974 (as amended by section 104(b)(1)) is further
10 amended—

11 (1) in paragraph (1), by striking “(A)” and by
12 redesignating subparagraph (B) as paragraph (2)
13 and by striking the semicolon at the end of such new
14 paragraph (2) and inserting a period; and

15 (2) by striking paragraph (2) (as redesignated
16 by such section 104(b)(1)).

17 **Subtitle B—Compliance with** 18 **Budget Resolution**

19 **SEC. 321. BUDGET COMPLIANCE STATEMENTS.**

20 Clause 3(d) of rule XIII of the Rules of the House
21 of Representatives is amended by adding at the end the
22 following new subparagraph:

23 “(4) A budget compliance statement prepared
24 by the chairman of the Committee on the Budget,
25 if timely submitted prior to the filing of the report,

1 which shall include assessment by such chairman as
 2 to whether the bill or joint resolution complies with
 3 the requirements of sections 302, 303, 306, 311,
 4 and 401 of the Congressional Budget Act of 1974
 5 and may include the budgetary implications of that
 6 bill or joint resolution under section 251 or 252 of
 7 the Balanced Budget and Emergency Deficit Control
 8 Act of 1985, as applicable.”.

9 **Subtitle C—Justification for**
 10 **Budget Act Waivers**

11 **SEC. 331. JUSTIFICATION FOR BUDGET ACT WAIVERS IN**
 12 **THE HOUSE OF REPRESENTATIVES.**

13 Clause 6 of rule XIII of the Rules of the House of
 14 Representatives is amended by adding at the end the fol-
 15 lowing new paragraph:

16 “(h) It shall not be in order to consider any resolution
 17 from the Committee on Rules for the consideration of any
 18 reported bill or joint resolution which waives section 302,
 19 303, 311, or 401 of the Congressional Budget Act of
 20 1974, unless the report accompanying such resolution in-
 21 cludes a description of the provision proposed to be
 22 waived, an identification of the section being waived, the
 23 reasons why such waiver should be granted, and an esti-
 24 mated cost of the provisions to which the waiver applies.”.

Subtitle D—CBO Scoring of Conference Reports

SEC. 341. CBO SCORING OF CONFERENCE REPORTS.

(a) The first sentence of section 402 of the Congressional Budget Act of 1974 is amended as follows:

(1) Insert “or conference report thereon,” before “and submit”.

(2) In paragraph (1), strike “bill or resolution” and insert “bill, joint resolution, or conference report”.

(3) At the end of paragraph (2) strike “and”, at the end of paragraph (3) strike the period and insert “; and”, and after such paragraph (3) add the following new paragraph:

“(4) A determination of whether such bill, joint resolution, or conference report provides direct spending.”.

(b) The second sentence of section 402 of the Congressional Budget Act of 1974 is amended by inserting before the period the following: “, or in the case of a conference report, shall be included in the joint explanatory statement of managers accompanying such conference report if timely submitted before such report is filed”.

TITLE IV—ACCOUNTABILITY FOR FEDERAL SPENDING

SEC. 401. PURPOSES.

The purposes of this title are to—

(1) require committees to develop a schedule for reauthorizing all programs within their jurisdictions;

(2) facilitate amendments to subject new entitlement programs to annual discretionary appropriations;

(3) require the Committee on the Budget to justify any allocation to an authorizing committee for legislation that would not be subject to annual discretionary appropriation;

(4) provide estimates of the long-term impact of spending and tax legislation;

(5) provide a point of order for legislation creating a new direct spending program that does not expire within 10 years; and

(6) require a vote in the House of Representatives on any measure that increases the statutory limit on the public debt.

1 **Subtitle A—Limitations on Direct**
 2 **Spending**

3 **SEC. 411. FIXED-YEAR AUTHORIZATIONS REQUIRED FOR**
 4 **NEW PROGRAMS.**

5 (a) IN GENERAL.—Section 401 of the Congressional
 6 Budget Act of 1974 is amended—

7 (1) by striking subsections (a) and (b) and in-
 8 serting the following new subsection:

9 “(a) LIMITATION ON DIRECT SPENDING.—It shall
 10 not be in order in the House of Representatives or in the
 11 Senate to consider a bill or joint resolution, or an amend-
 12 ment, motion, or conference report that provides direct
 13 spending for a new program, unless such spending is lim-
 14 ited to a period of 10 or fewer fiscal years.”;

15 (2) by redesignating subsection (c) as sub-
 16 section (b) and by striking “Subsections (a) and (b)
 17 each place it appears and inserting “Subsection (a)”
 18 in such redesignated subsection (b); and

19 (3) by amending the section heading to read as
 20 follows:

21 “FIXED-YEAR AUTHORIZATIONS REQUIRED FOR DIRECT
 22 SPENDING”.

23 (b) CONFORMING AMENDMENT.—The item relating
 24 to section 401 in the table of contents set forth in section

1 1(b) of the Congressional Budget and Impoundment Con-
 2 trol Act of 1974 is amended to read as follows:

“Sec. 401. Fixed-year authorizations required for direct spending.”.

3 (c) LIMITATION ON AUTHORIZATION OF DISCRE-
 4 TIONARY APPROPRIATIONS.—Rule XXI of the Rules of the
 5 House of Representatives is amended by adding at the end
 6 the following new clause:

7 “6. It shall not be in order to consider any bill, joint
 8 resolution, amendment, or conference report that author-
 9 izes the appropriation of new budget authority (as defined
 10 in section 3(2)(C) of the Congressional Budget and Im-
 11 poundment Control Act of 1974) for a new program, un-
 12 less such authorization is specifically provided for a period
 13 of 10 or fewer fiscal years.”.

14 **SEC. 412. AMENDMENTS TO SUBJECT NEW DIRECT SPEND-**
 15 **ING TO ANNUAL APPROPRIATIONS.**

16 (a) HOUSE PROCEDURES.—Clause 5 of rule XVIII
 17 of the Rules of the House of Representatives is amended
 18 by adding at the end the following new paragraph:

19 “(c)(1) In the Committee of the Whole, an amend-
 20 ment only to subject a new program which provides direct
 21 spending to discretionary appropriations, if offered by the
 22 chairman of the Committee on the Budget (or his des-
 23 ignee) or the chairman of the Committee of Appropria-
 24 tions (or his designee), may be precluded from consider-
 25 ation only by the specific terms of a special order of the

1 House. Any such amendment, if offered, shall be debatable
 2 for twenty minutes equally divided and controlled by the
 3 proponent of the amendment and a Member opposed and
 4 shall not be subject to amendment.

5 “(2) As used in subparagraph (1), the term ‘direct
 6 spending’ has the meaning given such term in section
 7 3(11) of the Congressional Budget and Impoundment
 8 Control Act of 1974.”.

9 (b) ADJUSTMENT OF DISCRETIONARY SPENDING
 10 LIMITS FOR DISCRETIONARY APPROPRIATIONS OFFSET
 11 BY DIRECT SPENDING SAVINGS.—

12 (1) PURPOSE.—The purpose of the amend-
 13 ments made by this subsection is to hold the discre-
 14 tionary spending limits and the allocations made to
 15 the Committee on Appropriations under section
 16 302(a) of the Congressional Budget Act of 1974
 17 harmless for legislation that offsets a new discre-
 18 tionary program with a designated reduction in di-
 19 rect spending.

20 (2) DESIGNATING DIRECT SPENDING SAVINGS
 21 IN AUTHORIZATION LEGISLATION FOR NEW DISCRE-
 22 TIONARY PROGRAMS.—Section 252 of the Balanced
 23 Budget and Emergency Deficit Control Act of 1985
 24 (as amended by section 202) is further amended by
 25 adding at the end the following new subsection:

1 “(e) OFFSETS.—If a provision of direct spending leg-
2 islation is enacted that—

3 “(1) decreases direct spending for any fiscal
4 year; and

5 “(2) is designated as an offset pursuant to this
6 subsection and such designation specifically identi-
7 fies an authorization of discretionary appropriations
8 (contained in such legislation) for a new program,
9 then the reductions in new budget authority and outlays
10 in all fiscal years resulting from that provision shall be
11 designated as an offset in the reports required under sub-
12 section (d).”.

13 (3) EXEMPTING SUCH DESIGNATED DIRECT
14 SPENDING SAVINGS FROM PAYGO SCORECARD.—Sec-
15 tion 252(d)(4) of the Balanced Budget and Emer-
16 gency Deficit Control Act of 1985 (as amended by
17 section 202(b)) is further amended by adding at the
18 end the following new subparagraph:

19 “(B) offset provisions as designated under
20 subsection (e).”.

21 (4) ADJUSTMENT IN DISCRETIONARY SPENDING
22 LIMITS.—Section 251(b)(2) of the Balanced Budget
23 and Emergency Deficit Control Act of 1985 (as
24 amended by section 202(a)(2)) is further amended

1 by adding at the end the following new subpara-
 2 graph:

3 “(G) DISCRETIONARY AUTHORIZATION
 4 OFFSETS.—If an Act other than an appropria-
 5 tion Act includes any provision reducing direct
 6 spending and specifically identifies any such
 7 provision as an offset pursuant to section
 8 252(e), the adjustments shall be an increase in
 9 the discretionary spending limits for budget au-
 10 thority and outlays in each fiscal year equal to
 11 the amount of the budget authority and outlay
 12 reductions, respectively, achieved by the speci-
 13 fied offset in that fiscal year, except that the
 14 adjustments for the budget year in which the
 15 offsetting provision takes effect shall not exceed
 16 the amount of discretionary new budget author-
 17 ity provided for the new program (authorized in
 18 that Act) in an Act making discretionary appro-
 19 priations and the outlays flowing therefrom.”.

20 (5) ADJUSTMENT IN APPROPRIATION COMMIT-
 21 TEE’S ALLOCATIONS.—Section 314(b) of the Con-
 22 gressional Budget Act of 1974 (as amended by sec-
 23 tion 202(d)) is further amended by striking “; or”
 24 at the end of paragraph (4), by striking the period
 25 and inserting “; or” at the end of paragraph (5),

1 and by adding at the end the following new para-
 2 graph:

3 “(6) the amount provided in an Act making dis-
 4 cretionary appropriations for the program for which
 5 an offset was designated pursuant to section 252(e)
 6 of the Balanced Budget and Emergency Deficit Con-
 7 trol Act of 1985 and any outlays flowing therefrom,
 8 but not to exceed the amount of the designated de-
 9 crease in direct spending for that year for that pro-
 10 gram in a prior law.”.

11 (6) ADJUSTMENT IN AUTHORIZING COMMIT-
 12 TEE’S ALLOCATIONS.—Section 314 of the Congres-
 13 sional Budget Act of 1974 is amended by adding at
 14 the end the following new subsection:

15 “(f) ADJUSTMENT IN AUTHORIZING COMMITTEE’S
 16 ALLOCATIONS BY AMOUNT OF DIRECT SPENDING OFF-
 17 SET.—After the reporting of a bill or joint resolution (by
 18 a committee other than the Committee on Appropria-
 19 tions), or the offering of an amendment thereto or the sub-
 20 mission of a conference report thereon, that contains a
 21 provision that decreases direct spending for any fiscal year
 22 and that is designated as an offset pursuant to section
 23 252(e) of the Balanced Budget and Emergency Deficit
 24 Control Act of 1985, the chairman of the Committee on
 25 the Budget shall reduce the allocations of new budget au-

1 thority and outlays made to such committee under section
 2 302(a)(1) by the amount so designated.”.

3 **Subtitle B—Enhanced Congressional Oversight Responsibilities**
 4
 5

6 **SEC. 421. TEN-YEAR CONGRESSIONAL REVIEW REQUIRE-**
 7 **MENT OF PERMANENT BUDGET AUTHORITY.**

8 (a) TIMETABLE FOR REVIEW.—Clause 2(d)(1) of
 9 rule X of the Rules of the House of Representatives is
 10 amended by striking subdivisions (B) and (C) and insert-
 11 ing the following new subdivision:

12 “(B) provide in its plans a specific timetable for
 13 its review of those laws, programs, or agencies with-
 14 in its jurisdiction, including those that operate under
 15 permanent budget authority or permanent statutory
 16 authority and such timetable shall demonstrate that
 17 each law, program, or agency within the committee’s
 18 jurisdiction will be reauthorized at least once every
 19 ten years.”.

20 (b) REVIEW OF PERMANENT BUDGET AUTHORITY
 21 BY THE COMMITTEE ON APPROPRIATIONS.—Clause 4(a)
 22 of rule X of the Rules of the House of Representatives
 23 is amended—

24 (1) by striking subparagraph (2); and

1 (2) by redesignating subparagraphs (3) and (4)
 2 as subparagraphs (2) and (3) and by striking “from
 3 time to time” and inserting “at least once each Con-
 4 gress” in subparagraph (2) (as redesignated).

5 (c) CONFORMING AMENDMENT.—Clause 4(e)(2) of
 6 rule X of the Rules of the House of Representatives is
 7 amended by striking “from time to time” and inserting
 8 “at least once every ten years”.

9 **SEC. 422. JUSTIFICATIONS OF DIRECT SPENDING.**

10 (a) SECTION 302 ALLOCATIONS.—Section 302(a) of
 11 the Congressional Budget Act of 1974 (as amended by
 12 section 104(a)) is further amended by adding at the end
 13 the following new paragraph:

14 “(5) JUSTIFICATION OF CERTAIN SPENDING AL-
 15 LOCATIONS.—The joint explanatory statement ac-
 16 companying a conference report on a joint resolution
 17 on the budget that includes any allocation to a com-
 18 mittee (other than the Committee on Appropria-
 19 tions) of levels in excess of current law levels shall
 20 set forth a justification for not subjecting any pro-
 21 gram, project, or activity (for which the allocation is
 22 made) to annual discretionary appropriation.”.

23 (b) PRESIDENTS’ BUDGET SUBMISSIONS.—Section
 24 1105(a) of title 31, United States Code, is amended by
 25 adding at the end the following new paragraph:

1 “(33) a justification for not subjecting each
 2 new program, project, or activity to discretionary ap-
 3 propriations.”.

4 (c) COMMITTEE JUSTIFICATION FOR DIRECT SPEND-
 5 ING.—Clause 4(e)(2) of rule X of the Rules of the House
 6 of Representatives is amended by inserting before the pe-
 7 riod the following: “, and will provide specific information
 8 in any report accompanying such bills and joint resolu-
 9 tions to the greatest extent practicable to justify why the
 10 programs, projects, and activities involved would not be
 11 subject to annual appropriation”.

12 **SEC. 423. SURVEY OF ACTIVITY REPORTS OF HOUSE COM-**
 13 **MITTEES.**

14 Clause 1(d) of rule XI of the Rules of the House of
 15 Representatives is amended by redesignating paragraph
 16 (4) as paragraph (5) and by inserting after paragraph (3)
 17 the following new paragraph:

18 “(4) Such report shall include a summary of and jus-
 19 tifications for all bills and joint resolutions reported by
 20 such committee that—

21 “(A) were considered before the adoption of the
 22 appropriate budget resolution and did not fall within
 23 an exception set forth in section 303(b) of the Con-
 24 gressional Budget Act of 1974;

1 “(B) exceeded its allocation under section
2 302(a) of such Act or breached an aggregate level
3 in violation of section 311 of such Act; or

4 “(C) contained provisions in violation of section
5 401(a) of such Act pertaining to indefinite direct
6 spending authority.

7 Such report shall also specify the total amount by which
8 legislation reported by that committee exceeded its alloca-
9 tion under section 302(a) or breached the revenue floor
10 under section 311(a) of such Act for each fiscal year dur-
11 ing that Congress.”.

12 **SEC. 424. CONTINUING STUDY OF ADDITIONAL BUDGET**
13 **PROCESS REFORMS.**

14 Section 703 of the Congressional Budget Act of 1974
15 is amended as follows:

16 (1) In subsection (a), strike “and” at the end
17 of paragraph (3), strike the period at the end of
18 paragraph (4) and insert “; and”, and at the end
19 add the following new paragraph:

20 “(5) evaluating whether existing programs,
21 projects, and activities should be subject to discre-
22 tionary appropriations and establishing guidelines
23 for subjecting new or expanded programs, projects,
24 and activities to annual appropriation and rec-
25 ommend any necessary changes in statutory enforce-

1 ment mechanisms and scoring conventions to effec-
2 tuate such changes.”.

3 (2) In subsection (b), strike “from time to
4 time” and insert “during the One Hundred Sixth
5 Congress”.

6 **SEC. 425. GAO REPORTS.**

7 The last sentence of section 404 of the Congres-
8 sional Budget Act of 1974 is amended to read as follows:
9 “Such report shall be revised at least once every five years
10 and shall be transmitted to the chairman and ranking mi-
11 nority member of each committee of the House of Rep-
12 resentatives and the Senate.”.

13 **Subtitle C—Strengthened**
14 **Accountability**

15 **SEC. 431. TEN-YEAR CBO ESTIMATES.**

16 (a) CBO REPORTS ON LEGISLATION.—Section
17 308(a)(1)(B) of the Congressional Budget Act of 1974 is
18 amended by striking “four” and inserting “nine”.

19 (b) ANALYSIS BY CBO.—Section 402(1) of the Con-
20 gressional Budget Act of 1974 is amended by striking “4”
21 and inserting “nine”.

22 (c) COST ESTIMATES.—Clause 3(d)(2)(A) of rule
23 XIII of the Rules of the House of Representatives is
24 amended by striking “five” each place it appears and in-
25 serting “10”.

1 **SEC. 432. REPEAL OF RULE XXIII OF THE RULES OF THE**
 2 **HOUSE OF REPRESENTATIVES.**

3 Rule XXIII of the Rules of the House of Representa-
 4 tives (relating to the establishment of the statutory limit
 5 on the public debt) is repealed.

6 **TITLE V—BUDGETING FOR UN-**
 7 **FUNDED LIABILITIES AND**
 8 **OTHER LONG-TERM OBLIGA-**
 9 **TIONS**

10 **SEC. 501. PURPOSES.**

11 The purposes of this title are to—

- 12 (1) budget for the long-term costs of Federal
 13 insurance programs;
 14 (2) improve congressional control of those costs;
 15 and
 16 (3) periodically report on long-term budgetary
 17 trends.

18 **Subtitle A—Budgetary Treatment**
 19 **of Federal Insurance Programs**

20 **SEC. 511. FEDERAL INSURANCE PROGRAMS.**

21 (a) IN GENERAL.—The Congressional Budget Act of
 22 1974 is amended by adding after title V the following new
 23 title:

1 **“TITLE VI—BUDGETARY TREAT-**
 2 **MENT OF FEDERAL INSUR-**
 3 **ANCE PROGRAMS**

4 **“SEC. 601. SHORT TITLE.**

5 “This title may be cited as the ‘Federal Insurance
 6 Budgeting Act of 1999’.

7 **“SEC. 602. BUDGETARY TREATMENT.**

8 “(a) PRESIDENT’S BUDGET.—Beginning with fiscal
 9 year 2006, the budget of the Government pursuant to sec-
 10 tion 1105(a) of title 31, United States Code, shall be
 11 based on the risk-assumed cost of Federal insurance pro-
 12 grams.

13 “(b) BUDGET ACCOUNTING.—For any Federal insur-
 14 ance program—

15 “(1) the program account shall—

16 “(A) pay the risk-assumed cost borne by
 17 the taxpayer to the financing account, and

18 “(B) pay actual insurance program admin-
 19 istrative costs;

20 “(2) the financing account shall—

21 “(A) receive premiums and other income,

22 “(B) pay all claims for insurance and re-
 23 ceive all recoveries,

24 “(C) transfer to the program account on
 25 not less than an annual basis amounts nec-

1 essary to pay insurance program administrative
2 costs;

3 “(3) a negative risk-assumed cost shall be
4 transferred from the financing account to the pro-
5 gram account, and shall be transferred from the pro-
6 gram account to the general fund; and

7 “(4) all payments by or receipts of the financ-
8 ing accounts shall be treated in the budget as a
9 means of financing.

10 “(c) APPROPRIATIONS REQUIRED.—(1) Notwith-
11 standing any other provision of law, insurance commit-
12 ments may be made for fiscal year 2006 and thereafter
13 only to the extent that new budget authority to cover their
14 risk-assumed cost is provided in advance in an appropria-
15 tion Act.

16 “(2) An outstanding insurance commitment shall not
17 be modified in a manner that increases its risk-assumed
18 cost unless budget authority for the additional cost has
19 been provided in advance.

20 “(3) Paragraph (1) shall not apply to Federal insur-
21 ance programs that constitute entitlements.

22 “(d) REESTIMATES.—The risk-assumed cost for a
23 fiscal year shall be reestimated in each subsequent year.
24 Such reestimate can equal zero. In the case of a positive
25 reestimate, the amount of the reestimate shall be paid

1 from the program account to the financing account. In
 2 the case of a negative reestimate, the amount of the reesti-
 3 mate shall be paid from the financing account to the pro-
 4 gram account, and shall be transferred from the program
 5 account to the general fund. Reestimates shall be dis-
 6 played as a distinct and separately identified subaccount
 7 in the program account.

8 “(e) ADMINISTRATIVE EXPENSES.—All funding for
 9 an agency’s administration of a Federal insurance pro-
 10 gram shall be displayed as a distinct and separately identi-
 11 fied subaccount in the program account.

12 **“SEC. 603. TIMETABLE FOR IMPLEMENTATION OF ACCRUAL**
 13 **BUDGETING FOR FEDERAL INSURANCE PRO-**
 14 **GRAMS.**

15 “(a) AGENCY REQUIREMENTS.—Agencies with re-
 16 sponsibility for Federal insurance programs shall develop
 17 models to estimate their risk-assumed cost by year
 18 through the budget horizon and shall submit those models,
 19 all relevant data, a justification for critical assumptions,
 20 and the annual projected risk-assumed costs to OMB with
 21 their budget requests each year starting with the request
 22 for fiscal year 2002. Agencies will likewise provide OMB
 23 with annual estimates of modifications, if any, and reesti-
 24 mates of program costs.

1 “(b) DISCLOSURE.—When the President submits a
2 budget of the Government pursuant to section 1105(a) of
3 title 31, United States Code, for fiscal year 2002, OMB
4 shall publish a notice in the Federal Register advising in-
5 terested persons of the availability of information describ-
6 ing the models, data (including sources), and critical as-
7 sumptions (including explicit or implicit discount rate as-
8 sumptions) that it would use to estimate the risk-assumed
9 cost of Federal insurance programs and giving such inter-
10 ested persons an opportunity to submit comments.

11 “(c) REVISION.—(1) After consideration of comments
12 pursuant to subsection (b), and in consultation with the
13 Committees on the Budget of the House of Representa-
14 tives and the Senate, OMB and CBO shall revise the mod-
15 els, data, and major assumptions they would use to esti-
16 mate the risk-assumed cost of Federal insurance pro-
17 grams.

18 “(2) When the President submits a budget of the
19 Government pursuant to section 1105(a) of title 31,
20 United States Code, for fiscal year 2003, OMB shall pub-
21 lish a notice in the Federal Register advising interested
22 persons of the availability of information describing the
23 models, data (including sources), and critical assumptions
24 (including explicit or implicit discount rate assumptions)

1 that it or other executive branch entities used to estimate
 2 the risk-assumed cost of Federal insurance programs.

3 “(d) DISPLAY.—

4 “(1) IN GENERAL.—For fiscal years 2003,
 5 2004, and 2005 the budget submissions of the Presi-
 6 dent pursuant to section 1105(a) of title 31, United
 7 States Code, and CBO’s reports on the economic
 8 and budget outlook pursuant to section 202(e)(1)
 9 and the President’s budgets, shall for display pur-
 10 poses only, estimate the risk-assumed cost of exist-
 11 ing or proposed Federal insurance programs.

12 “(2) OMB.—The display in the budget submis-
 13 sions of the President for fiscal years 2003, 2004,
 14 and 2005 shall include—

15 “(A) a presentation for each Federal insur-
 16 ance program in budget-account level detail of
 17 estimates of risk-assumed cost;

18 “(B) a summary table of the risk-assumed
 19 costs of Federal insurance programs; and

20 “(C) an alternate summary table of budget
 21 functions and aggregates using risk-assumed
 22 rather than cash-based cost estimates for Fed-
 23 eral insurance programs.

24 “(3) CBO.—In the second session of the 107th
 25 Congress and the 108th Congress, CBO shall in-

1 clude in its estimates under section 308, for display
2 purposes only, the risk-assumed cost of existing Fed-
3 eral insurance programs, or legislation that CBO, in
4 consultation with the Committees on the Budget of
5 the House of Representatives and the Senate, deter-
6 mines would create a new Federal insurance pro-
7 gram.

8 “(e) OMB, CBO, AND GAO EVALUATIONS.—(1) Not
9 later than 6 months after the budget submission of the
10 President pursuant to section 1105(a) of title 31, United
11 States Code, for fiscal year 2005, OMB, CBO, and GAO
12 shall each submit to the Committees on the Budget of the
13 House of Representatives and the Senate a report that
14 evaluates the advisability and appropriate implementation
15 of this title.

16 “(2) Each report made pursuant to paragraph (1)
17 shall address the following:

18 “(A) The adequacy of risk-assumed estimation
19 models used and alternative modeling methods.

20 “(B) The availability and reliability of data or
21 information necessary to carry out this title.

22 “(C) The appropriateness of the explicit or im-
23 plicit discount rate used in the various risk-assumed
24 estimation models.

1 “(D) The advisability of specifying a statutory
2 discount rate (such as the Treasury rate) for use in
3 risk-assumed estimation models.

4 “(E) The ability of OMB, CBO, or GAO, as ap-
5 plicable, to secure any data or information directly
6 from any Federal agency necessary to enable it to
7 carry out this title.

8 “(F) The relationship between risk-assumed ac-
9 crual budgeting for Federal insurance programs and
10 the specific requirements of the Balanced Budget
11 and Emergency Deficit Control Act of 1985.

12 “(G) Whether Federal budgeting is improved by
13 the inclusion of risk-assumed cost estimates for Fed-
14 eral insurance programs.

15 “(H) The advisability of including each of the
16 programs currently estimated on a risk-assumed cost
17 basis in the Federal budget on that basis.

18 **“SEC. 604. DEFINITIONS.**

19 “For purposes of this title:

20 “(1) The term ‘Federal insurance program’
21 means a program that makes insurance commit-
22 ments and includes the list of such programs in-
23 cluded in the joint explanatory statement of man-
24 agers accompanying the conference report on the
25 Comprehensive Budget Process Reform Act of 1999.

1 “(2) The term ‘insurance commitment’ means
2 an agreement in advance by a Federal agency to in-
3 demnify a nonfederal entity against specified losses.
4 This term does not include loan guarantees as de-
5 fined in title V or benefit programs such as social
6 security, medicare, and similar existing social insur-
7 ance programs.

8 “(3)(A) The term ‘risk-assumed cost’ means the
9 net present value of the estimated cash flows to and
10 from the Government resulting from an insurance
11 commitment or modification thereof.

12 “(B) The cash flows associated with an insur-
13 ance commitment include—

14 “(i) expected claims payments inherent in
15 the Government’s commitment;

16 “(ii) net premiums (expected premium col-
17 lections received from or on behalf of the in-
18 sured less expected administrative expenses);

19 “(iii) expected recoveries; and

20 “(iv) expected changes in claims, pre-
21 miums, or recoveries resulting from the exercise
22 by the insured of any option included in the in-
23 surance commitment.

24 “(C) The cost of a modification is the difference
25 between the current estimate of the net present

1 value of the remaining cash flows under the terms
2 of the insurance commitment, and the current esti-
3 mate of the net present value of the remaining cash
4 flows under the terms of the insurance commitment
5 as modified.

6 “(D) The cost of a reestimate is the difference
7 between the net present value of the amount cur-
8 rently required by the financing account to pay esti-
9 mated claims and other expenditures and the
10 amount currently available in the financing account.
11 The cost of a reestimate shall be accounted for in
12 the current year in the budget of the Government
13 pursuant to section 1105(a) of title 31, United
14 States Code.

15 “(E) For purposes of this definition, expected
16 administrative expenses shall be construed as the
17 amount estimated to be necessary for the proper ad-
18 ministration of the insurance program. This amount
19 may differ from amounts actually appropriated or
20 otherwise made available for the administration of
21 the program.

22 “(4) The term ‘program account’ means the
23 budget account for the risk-assumed cost, and for
24 paying all costs of administering the insurance pro-

1 gram, and is the account from which the risk-as-
2 sumed cost is disbursed to the financing account.

3 “(5) The term ‘financing account’ means the
4 nonbudget account that is associated with each pro-
5 gram account which receives payments from or
6 makes payments to the program account, receives
7 premiums and other payments from the public, pays
8 insurance claims, and holds balances.

9 “(6) The term ‘modification’ means any Gov-
10 ernment action that alters the risk-assumed cost of
11 an existing insurance commitment from the current
12 estimate of cash flows. This includes any action re-
13 sulting from new legislation, or from the exercise of
14 administrative discretion under existing law, that di-
15 rectly or indirectly alters the estimated cost of exist-
16 ing insurance commitments.

17 “(7) The term ‘model’ means any actuarial, fi-
18 nancial, econometric, probabilistic, or other method-
19 ology used to estimate the expected frequency and
20 magnitude of loss-producing events, expected pre-
21 miums or collections from or on behalf of the in-
22 sured, expected recoveries, and administrative ex-
23 penses.

1 “(8) The term ‘current’ has the same meaning
2 as in section 250(c)(9) of the Balanced Budget and
3 Emergency Deficit Control Act of 1985.

4 “(9) The term ‘OMB’ means the Director of
5 the Office of Management and Budget.

6 “(10) The term ‘CBO’ means the Director of
7 the Congressional Budget Office.

8 “(11) The term ‘GAO’ means the Comptroller
9 General of the United States.

10 **“SEC. 605. AUTHORIZATIONS TO ENTER INTO CONTRACTS;**
11 **ACTUARIAL COST ACCOUNT.**

12 “(a) AUTHORIZATION OF APPROPRIATIONS.—There
13 is authorized to be appropriated \$600,000 for each of fis-
14 cal years 2000 through 2005 to the Director of the Office
15 of Management and Budget and each agency responsible
16 for administering a Federal program to carry out this
17 title.

18 “(b) TREASURY TRANSACTIONS WITH THE FINANC-
19 ING ACCOUNTS.—The Secretary of the Treasury shall bor-
20 row from, receive from, lend to, or pay the insurance fi-
21 nancing accounts such amounts as may be appropriate.
22 The Secretary of the Treasury may prescribe forms and
23 denominations, maturities, and terms and conditions for
24 the transactions described above. The authorities de-
25 scribed above shall not be construed to supersede or over-

1 ride the authority of the head of a Federal agency to ad-
 2 minister and operate an insurance program. All the trans-
 3 actions provided in this subsection shall be subject to the
 4 provisions of subchapter II of chapter 15 of title 31,
 5 United States Code. Cash balances of the financing ac-
 6 counts in excess of current requirements shall be main-
 7 tained in a form of uninvested funds, and the Secretary
 8 of the Treasury shall pay interest on these funds.

9 “(c) APPROPRIATION OF AMOUNT NECESSARY TO
 10 COVER RISK-ASSUMED COST OF INSURANCE COMMIT-
 11 MENTS AT TRANSITION DATE.—(1) A financing account
 12 is established on September 30, 2005, for each Federal
 13 insurance program.

14 “(2) There is appropriated to each financing account
 15 the amount of the risk-assumed cost of Federal insurance
 16 commitments outstanding for that program as of the close
 17 of September 30, 2005.

18 “(3) These financing accounts shall be used in imple-
 19 menting the budget accounting required by this title.

20 **“SEC. 606. EFFECTIVE DATE.**

21 “(a) IN GENERAL.—This title shall take effect imme-
 22 diately and shall expire on September 30, 2007.

23 “(b) SPECIAL RULE.—If this title is not reauthorized
 24 by September 30, 2007, then the accounting structure and
 25 budgetary treatment of Federal insurance programs shall

1 revert to the accounting structure and budgetary treat-
 2 ment in effect immediately before the date of enactment
 3 of this title.”.

4 (b) CONFORMING AMENDMENT.—The table of con-
 5 tents set forth in section 1(b) of the Congressional Budget
 6 and Impoundment Control Act of 1974 is amended by in-
 7 serting after the item relating to section 507 the following
 8 new items:

“TITLE VI—BUDGETARY TREATMENT OF FEDERAL INSURANCE
 PROGRAMS

“Sec. 601. Short title.

“Sec. 602. Budgetary treatment.

“Sec. 603. Timetable for implementation of accrual budgeting for Federal insur-
 ance programs.

“Sec. 604. Definitions.

“Sec. 605. Authorizations to enter into contracts; actuarial cost account.

“Sec. 606. Effective date.”.

9 **Subtitle B—Reports on Long-Term**
 10 **Budgetary Trends**

11 **SEC. 521. REPORTS ON LONG-TERM BUDGETARY TRENDS.**

12 (a) THE PRESIDENT’S BUDGET.—Section 1105(a) of
 13 title 31, United States Code (as amended by section 404),
 14 is further amended by adding at the end the following new
 15 paragraph:

16 “(34) an analysis based upon current law and
 17 an analysis based upon the policy assumptions un-
 18 derlying the budget submission for every fifth year
 19 of the period of 75 fiscal years beginning with such
 20 fiscal year, of the estimated levels of total new budg-
 21 et authority and total budget outlays, estimated rev-

1 enues, estimated surpluses and deficits, and, for so-
 2 cial security, medicare, medicaid, and all other direct
 3 spending, estimated levels of total new budget au-
 4 thority and total budget outlays; and a specification
 5 of its underlying assumptions and a sensitivity anal-
 6 ysis of factors that have a significant effect on the
 7 projections made in each analysis; and a comparison
 8 of the effects of each of the two analyses on the
 9 economy, including such factors as inflation, foreign
 10 investment, interest rates, and economic growth.”.

11 (b) CBO REPORTS.—Section 202(e)(1) of the Con-
 12 gressional Budget Act of 1974 is amended by adding at
 13 the end the following new sentences: “Such report shall
 14 also include an analysis based upon current law for every
 15 fifth year of the period of 75 fiscal years beginning with
 16 such fiscal year, of the estimated levels of total new budget
 17 authority and total budget outlays, estimated revenues, es-
 18 timated surpluses and deficits, and, for social security,
 19 medicare, medicaid, and all other direct spending, esti-
 20 mated levels of total new budget authority and total budg-
 21 et outlays. The report described in the preceding sentence
 22 shall also specify its underlying assumptions and set forth
 23 a sensitivity analysis of factors that have a significant ef-
 24 fect on the projections made in the report.”.

1 **TITLE VI—BASELINES, BYRD**
 2 **RULE, AND LOCK-BOX**

3 **SEC. 601. PURPOSE.**

4 The purposes of this title are to—

5 (1) require budgetary comparisons to prior year
 6 levels;

7 (2) restrict the application of the Byrd rule to
 8 measures other than conference reports; and

9 (3) establish a procedure to allow savings from
 10 spending cuts in appropriation measures to be
 11 locked-in to increase the surplus or reduce the def-
 12 icit.

13 **Subtitle A—The Baseline**

14 **SEC. 611. THE PRESIDENT'S BUDGET.**

15 (a) Paragraph (5) of section 1105(a) of title 31,
 16 United States Code, is amended to read as follows:

17 “(5) except as provided in subsection (b) of this
 18 section, estimated expenditures and appropriations
 19 for the current year and estimated expenditures and
 20 proposed appropriations the President decides are
 21 necessary to support the Government in the fiscal
 22 year for which the budget is submitted and the 4 fis-
 23 cal years following that year, and, except for detailed
 24 budget estimates, the percentage change from the
 25 current year to the fiscal year for which the budget

1 is submitted for estimated expenditures and for ap-
 2 propriations.”.

3 (b) Section 1105(a)(6) of title 31, United States
 4 Code, is amended to read as follows:

5 “(6) estimated receipts of the Government in
 6 the current year and the fiscal year for which the
 7 budget is submitted and the 4 fiscal years after that
 8 year under—

9 “(A) laws in effect when the budget is sub-
 10 mitted; and

11 “(B) proposals in the budget to increase
 12 revenues,

13 and the percentage change (in the case of each cat-
 14 egory referred to in subparagraphs (A) and (B)) be-
 15 tween the current year and the fiscal year for which
 16 the budget is submitted and between the current
 17 year and each of the 9 fiscal years after the fiscal
 18 year for which the budget is submitted.”.

19 (c) Section 1105(a)(12) of title 31, United States
 20 Code, is amended to read as follows:

21 “(12) for each proposal in the budget for legis-
 22 lation that would establish or expand a Government
 23 activity or function, a table showing—

24 “(A) the amount proposed in the budget
 25 for appropriation and for expenditure because

1 of the proposal in the fiscal year for which the
2 budget is submitted;

3 “(B) the estimated appropriation required
4 because of the proposal for each of the 4 fiscal
5 years after that year that the proposal will be
6 in effect; and

7 “(C) the estimated amount for the same
8 activity or function, if any, in the current fiscal
9 year,

10 and, except for detailed budget estimates, the per-
11 centage change (in the case of each category re-
12 ferred to in subparagraphs (A), (B), and (C)) be-
13 tween the current year and the fiscal year for which
14 the budget is submitted.”.

15 (d) Section 1105(a)(18) of title 31, United States
16 Code, is amended by inserting “new budget authority
17 and” before “budget outlays”.

18 (e) Section 1105(a) of title 31, United States Code,
19 (as amended by sections 412(b) and 521(a)) is further
20 amended by adding at the end the following new para-
21 graphs:

22 “(35) a comparison of levels of estimated ex-
23 penditures and proposed appropriations for each
24 function and subfunction in the current fiscal year
25 and the fiscal year for which the budget is sub-

mitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction.

“(36) a table on sources of growth in total direct spending under current law and as proposed in this budget submission for the budget year and the ensuing 9 fiscal years, which shall include changes in outlays attributable to the following: cost-of-living adjustments; changes in the number of program recipients; increases in medical care prices, utilization and intensity of medical care; and residual factors.”.

(f) Section 1109(a) of title 31, United States Code, is amended by inserting after the first sentence the following new sentence: “For discretionary spending, these estimates shall assume the levels set forth in the discretionary spending limits under section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985, as adjusted, for the appropriate fiscal years (and if no such limits are in effect, these estimates shall assume the adjusted levels for the most recent fiscal year for which such levels were in effect).”.

SEC. 612. THE CONGRESSIONAL BUDGET.

Section 301(e) of the Congressional Budget Act of 1974 (as amended by section 103) is further amended—

1 (1) in paragraph (1), by inserting at the end
2 the following: “The basis of deliberations in devel-
3 oping such joint resolution shall be the estimated
4 budgetary levels for the preceding fiscal year. Any
5 budgetary levels pending before the committee and
6 the text of the joint resolution shall be accompanied
7 by a document comparing such levels or such text to
8 the estimated levels of the prior fiscal year. Any
9 amendment offered in the committee that changes a
10 budgetary level and is based upon a specific policy
11 assumption for a program, project, or activity shall
12 be accompanied by a document indicating the esti-
13 mated amount for such program, project, or activity
14 in the current year.”; and

15 (2) in paragraph (2), by striking “and” at the
16 end of subparagraph (H) (as redesignated), by strik-
17 ing the period and inserting “; and” at the end of
18 subparagraph (I) (as redesignated), and by adding
19 at the end the following new subparagraph:

20 “(J) a comparison of levels for the current
21 fiscal year with proposed spending and revenue
22 levels for the subsequent fiscal years along with
23 the proposed increase or decrease of spending
24 in percentage terms for each function.”.

1 **SEC. 613. CONGRESSIONAL BUDGET OFFICE REPORTS TO**
2 **COMMITTEES.**

3 (a) The first sentence of section 202(e)(1) of the Con-
4 gressional Budget Act of 1974 is amended by inserting
5 “compared to comparable levels for the current year” be-
6 fore the comma at the end of subparagraph (A) and before
7 the comma at the end of subparagraph (B).

8 (b) Section 202(e)(1) of the Congressional Budget
9 Act of 1974 is amended by inserting after the first sen-
10 tence the following new sentence: “Such report shall also
11 include a table on sources of spending growth in total di-
12 rect spending for the budget year and the ensuing 9 fiscal
13 years, which shall include changes in outlays attributable
14 to the following: cost-of-living adjustments; changes in the
15 number of program recipients; increases in medical care
16 prices, utilization and intensity of medical care; and resid-
17 ual factors.”.

18 (c) Section 308(a)(1)(B) of the Congressional Budget
19 Act of 1974 is amended by inserting “and shall include
20 a comparison of those levels to comparable levels for the
21 current fiscal year” before “if timely submitted”.

22 **SEC. 614. OUTYEAR ASSUMPTIONS FOR DISCRETIONARY**
23 **SPENDING.**

24 For purposes of chapter 11 of title 31 of the United
25 States Code, or the Congressional Budget Act of 1974,
26 unless otherwise expressly provided, in making budgetary

1 projections for years for which there are no discretionary
 2 spending limits, the Director of the Office of Management
 3 and Budget and the Director of the Congressional Budget
 4 Office shall assume discretionary spending levels at the
 5 levels for the last fiscal year for which such levels were
 6 in effect.

7 **Subtitle B—The Byrd Rule**

8 **SEC. 621. LIMITATION ON BYRD RULE.**

9 (a) PROTECTION OF CONFERENCE REPORTS.—Sec-
 10 tion 313 of the Congressional Budget Act of 1974 is
 11 amended—

12 (1) in subsection (c), by striking “and again
 13 upon the submission of a conference report on such
 14 a reconciliation bill or resolution,”;

15 (2) by striking subsection (d);

16 (3) by redesignating subsection (e) as sub-
 17 section (d); and

18 (4) in subsection (e), as redesignated—

19 (A) by striking “, motion, or conference re-
 20 port” the first place it appears and inserting “,
 21 or motion”; and

22 (B) by striking “, motion, or conference re-
 23 port” the second and third places it appears
 24 and inserting “or motion”.

1 (b) CONFORMING AMENDMENT.—The first sentence
 2 of section 312(e) of the Congressional Budget Act of 1974
 3 is amended by inserting “, except for section 313,” after
 4 “Act”.

5 **Subtitle C—Spending** 6 **Accountability Lock-Box**

7 **SEC. 631. SHORT TITLE.**

8 This subtitle may be cited as the “Spending Account-
 9 ability Lock-Box Act of 1999”.

10 **SEC. 632. SPENDING ACCOUNTABILITY LOCK-BOX LEDGER.**

11 (a) ESTABLISHMENT OF LEDGER.—Title III of the
 12 Congressional Budget Act of 1974 (as amended by sec-
 13 tions 104(c) and 206(a)) is further amended by adding
 14 after section 317 the following new section:

15 “SPENDING ACCOUNTABILITY LOCK-BOX LEDGER

16 “SEC. 318. (a) ESTABLISHMENT OF LEDGER.—The
 17 chairman of the Committee on the Budget of the House
 18 of Representatives and the chairman on the Committee
 19 on the Budget of the Senate shall each maintain a ledger
 20 to be known as the ‘Spending Accountability Lock-Box
 21 Ledger’. The Ledger shall be divided into entries cor-
 22 responding to the subcommittees of the Committees on
 23 Appropriations. Each entry shall consist of three compo-
 24 nents: the ‘House Lock-Box Balance’; the ‘Senate Lock-
 25 Box Balance’; and the ‘Joint House-Senate Lock-Box Bal-
 26 ance’.

1 “(b) COMPONENTS OF LEDGER.—Each component in
 2 an entry shall consist only of amounts credited to it under
 3 subsection (c). No entry of a negative amount shall be
 4 made.

5 “(c) CREDIT OF AMOUNTS TO LEDGER.—(1) In the
 6 House of Representatives or the Senate, whenever a Mem-
 7 ber offers an amendment to an appropriation bill to reduce
 8 new budget authority in any account, that Member may
 9 state the portion of such reduction that shall be—

10 “(A) credited to the House or Senate Lock-Box
 11 Balance, as applicable; or

12 “(B) used to offset an increase in new budget
 13 authority in any other account;

14 “(C) allowed to remain within the applicable
 15 section 302(b) suballocation.

16 If no such statement is made, the amount of reduction
 17 in new budget authority resulting from the amendment
 18 shall be credited to the House or Senate Lock-Box Bal-
 19 ance, as applicable, if the amendment is agreed to.

20 “(2)(A) Except as provided by subparagraph (B), the
 21 chairmen of the Committees on the Budget shall, upon
 22 the engrossment of any appropriation bill by the House
 23 of Representatives and upon the engrossment of Senate
 24 amendments to that bill, credit to the applicable entry bal-
 25 ance of that House amounts of new budget authority and

1 outlays equal to the net amounts of reductions in new
 2 budget authority and in outlays resulting from amend-
 3 ments agreed to by that House to that bill.

4 “(B) When computing the net amounts of reductions
 5 in new budget authority and in outlays resulting from
 6 amendments agreed to by the House of Representatives
 7 or the Senate to an appropriation bill, the chairmen of
 8 the Committees on the Budget shall only count those por-
 9 tions of such amendments agreed to that were so des-
 10 ignated by the Members offering such amendments as
 11 amounts to be credited to the House or Senate Lock-Box
 12 Balance, as applicable, or that fall within the last sentence
 13 of paragraph (1).

14 “(3) The chairmen of the Committees on the Budget
 15 shall, upon the engrossment of Senate amendments to any
 16 appropriation bill, credit to the applicable Joint House-
 17 Senate Lock-Box Balance the amounts of new budget au-
 18 thority and outlays equal to—

19 “(A) an amount equal to one-half of the sum of
 20 (i) the amount of new budget authority in the House
 21 Lock-Box Balance plus (ii) the amount of new budg-
 22 et authority in the Senate Lock-Box Balance for
 23 that subcommittee; and

24 “(B) an amount equal to one-half of the sum
 25 of (i) the amount of outlays in the House Lock-Box

1 Balance plus (ii) the amount of outlays in the Sen-
 2 ate Lock-Box Balance for that subcommittee.

3 “(4) CALCULATION OF LOCK-BOX SAVINGS IN SEN-
 4 ATE.—For purposes of calculating under this section the
 5 net amounts of reductions in new budget authority and
 6 in outlays resulting from amendments agreed to by the
 7 Senate on an appropriation bill, the amendments reported
 8 to the Senate by its Committee on Appropriations shall
 9 be considered to be part of the original text of the bill.

10 “(d) DEFINITION.—As used in this section, the term
 11 ‘appropriation bill’ means any general or special appro-
 12 priation bill, and any bill or joint resolution making sup-
 13 plemental, deficiency, or continuing appropriations
 14 through the end of a fiscal year.

15 “(e) TALLY DURING HOUSE CONSIDERATION.—The
 16 chairman of the Committee on the Budget of the House
 17 of Representatives shall maintain a running tally of the
 18 amendments adopted reflecting increases and decreases of
 19 budget authority in the bill as reported. This tally shall
 20 be available to Members in the House of Representatives
 21 during consideration of any appropriations bill by the
 22 House.”.

23 (b) CONFORMING AMENDMENT.—The table of con-
 24 tents set forth in section 1(b) of the Congressional Budget
 25 and Impoundment Control Act of 1974 is amended by in-

1 setting after the item relating to section 317 the following
 2 new item:

“Sec. 318. Spending accountability lock-box ledger.”.

3 **SEC. 633. DOWNWARD ADJUSTMENT OF SECTION 302(a) AL-**
 4 **LOCATIONS AND SECTION 302(b) SUBALLOCA-**
 5 **TIONS.**

6 (a) ALLOCATIONS.—Section 302(a) of the Congres-
 7 sional Budget Act of 1974 (as amended by section 422)
 8 is further amended by adding at the end the following new
 9 paragraph:

10 “(6) ADJUSTMENT OF ALLOCATIONS.—Upon
 11 the engrossment of Senate amendments to any ap-
 12 propriation bill (as defined in section 318(d)) for a
 13 fiscal year, the amounts allocated under paragraph
 14 (1) or (2) to the Committee on Appropriations of
 15 each House upon the adoption of the most recent
 16 joint resolution on the budget for that fiscal year
 17 shall be adjusted downward by the amounts credited
 18 to the applicable Joint House-Senate Lock-Box Bal-
 19 ance under section 318(c)(2). The revised levels of
 20 new budget authority and outlays shall be submitted
 21 to each House by the chairman of the Committee on
 22 the Budget of that House and shall be printed in the
 23 Congressional Record.”.

24 (b) SUBALLOCATIONS.—Section 302(b) of the Con-
 25 gressional Budget Act of 1974 is amended by adding at

1 the end the following new sentence: “Whenever an adjust-
 2 ment is made under subsection (a)(7) to an allocation
 3 under that subsection, the Committee on Appropriations
 4 of each House shall make downward adjustments in the
 5 most recent suballocations of new budget authority and
 6 outlays under this subparagraph to the appropriate sub-
 7 committees of that committee in the total amounts of
 8 those adjustments under section 318(c)(2). The revised
 9 suballocations shall be submitted to each House by the
 10 chairman of the Committee on Appropriations of that
 11 House and shall be printed in the Congressional Record.”.

12 **SEC. 634. PERIODIC REPORTING OF LEDGER STATEMENTS.**

13 Section 308(b)(1) of the Congressional Budget Act
 14 of 1974 is amended by adding at the end the following
 15 new sentence: “Such reports shall also include an up-to-
 16 date tabulation of the amounts contained in the ledger and
 17 each entry established by section 318(a).”.

18 **SEC. 635. DOWNWARD ADJUSTMENT OF DISCRETIONARY**
 19 **SPENDING LIMITS.**

20 The discretionary spending limits for new budget au-
 21 thority and outlays for any fiscal year set forth in section
 22 251(c) of the Balanced Budget and Emergency Deficit
 23 Control Act of 1985, shall be reduced by the amounts set
 24 forth in the final regular appropriation bill for that fiscal
 25 year or joint resolution making continuing appropriations

1 through the end of that fiscal year. Those amounts shall
 2 be the sums of the Joint House-Senate Lock-Box Balances
 3 for that fiscal year, as calculated under section 302(a)(6)
 4 of the Congressional Budget Act of 1974. That bill or joint
 5 resolution shall contain the following statement of law:
 6 “As required by section 636 of the Spending Account-
 7 ability Lock-Box Act of 1999, for fiscal year [insert appro-
 8 priate fiscal year] and each outyear, the adjusted discre-
 9 tionary spending limit for new budget authority shall be
 10 reduced by \$ [insert appropriate amount of reduction] and
 11 the adjusted discretionary limit for outlays shall be re-
 12 duced by \$ [insert appropriate amount of reduction] for
 13 the fiscal year and each outyear.”. Notwithstanding sec-
 14 tion 904(c) of the Congressional Budget Act of 1974, sec-
 15 tion 306 as it applies to this statement shall not apply.
 16 This adjustment shall be reflected in reports under sec-
 17 tions 254(f) and 254(g) of the Balanced Budget and
 18 Emergency Deficit Control Act of 1985.

19 **Subtitle D—Automatic Continuing** 20 **Resolution**

21 **SEC. 641. AUTOMATIC CONTINUING RESOLUTION.**

22 (a) AMENDMENT TO TITLE 31.—Chapter 13 of title
 23 31, United States Code, is amended by inserting after sec-
 24 tion 1310 the following new section:

1 **“§ 1311. Continuing appropriations**

2 “(a)(1) If any regular appropriation bill for a fiscal
3 year does not become law prior to the beginning of such
4 fiscal year or a joint resolution making continuing appro-
5 priations is not in effect, there is appropriated, out of any
6 moneys in the Treasury not otherwise appropriated, and
7 out of applicable corporate or other revenues, receipts, and
8 funds, such sums as may be necessary to continue any
9 program, project, or activity for which funds were provided
10 in the preceding fiscal year—

11 “(A) in the corresponding regular appropriation
12 Act for such preceding fiscal year; or

13 “(B) if the corresponding regular appropriation
14 bill for such preceding fiscal year did not become
15 law, then in a joint resolution making continuing ap-
16 propriations for such preceding fiscal year.

17 “(2)(A) Except as provided by subparagraph (B), ap-
18 propriations and funds made available, and authority
19 granted, for a program, project, or activity for any fiscal
20 year pursuant to this section shall be at a rate of oper-
21 ations not in excess of the rate of operations provided for
22 in the regular appropriation Act providing for such pro-
23 gram, project, or activity for the preceding fiscal year, or
24 in the absence of such an Act, the rate of operations pro-
25 vided for such program, project, or activity pursuant to
26 a joint resolution making continuing appropriations for

1 such preceding fiscal year (but not including amounts for
 2 such program, project, or activity designated as an emer-
 3 gency for that fiscal year before the date of enactment
 4 of this section).

5 “(B) The applicable rate of operations for a program,
 6 project, or activity pursuant to this section shall exclude
 7 amounts—

8 “(i) for which any adjustment was made under
 9 section 251(b)(2)(A) or section 252(e) of the Bal-
 10 anced Budget and Emergency Deficit Control Act of
 11 1985 before the date of enactment of this section; or

12 “(ii) for which any adjustment is made under
 13 section 251(b)(2) (D) or (E) of such Act.

14 “(3) Appropriations and funds made available, and
 15 authority granted, for any fiscal year pursuant to this sec-
 16 tion for a program, project, or activity shall be available
 17 for the period beginning with the first day of a lapse in
 18 appropriations and ending with the earlier of—

19 “(A) the date on which the applicable regular
 20 appropriation bill for such fiscal year becomes law
 21 (whether or not such law provides for such program,
 22 project, or activity) or a continuing resolution mak-
 23 ing appropriations becomes law, as the case may be,
 24 or

25 “(B) the last day of such fiscal year.

1 “(b) An appropriation or funds made available, or au-
2 thority granted, for a program, project, or activity for any
3 fiscal year pursuant to this section shall be subject to the
4 terms and conditions imposed with respect to the appro-
5 priation made or funds made available for the preceding
6 fiscal year, or authority granted for such program, project,
7 or activity under current law.

8 “(c) Appropriations and funds made available, and
9 authority granted, for any program, project, or activity for
10 any fiscal year pursuant to this section shall cover all obli-
11 gations or expenditures incurred for such program,
12 project, or activity during the portion of such fiscal year
13 for which this section applies to such program, project,
14 or activity.

15 “(d) Expenditures made for a program, project, or
16 activity for any fiscal year pursuant to this section shall
17 be charged to the applicable appropriation, fund, or au-
18 thorization whenever a regular appropriation bill or a joint
19 resolution making continuing appropriations until the end
20 of a fiscal year providing for such program, project, or
21 activity for such period becomes law.

22 “(e) This section shall not apply to a program,
23 project, or activity during a fiscal year if any other provi-
24 sion of law (other than an authorization of appropri-
25 ations)—

1 “(1) makes an appropriation, makes funds
2 available, or grants authority for such program,
3 project, or activity to continue for such period, or

4 “(2) specifically provides that no appropriation
5 shall be made, no funds shall be made available, or
6 no authority shall be granted for such program,
7 project, or activity to continue for such period; or

8 “(f) For purposes of this section, the term ‘regular
9 appropriation bill’ means any annual appropriation bill
10 making appropriations, otherwise making funds available,
11 or granting authority, for any of the following categories
12 of programs, projects, and activities:

13 “(1) Agriculture, rural development, and re-
14 lated agencies programs.

15 “(2) The Departments of Commerce, Justice,
16 and State, the judiciary, and related agencies.

17 “(3) The Department of Defense.

18 “(4) The government of the District of Colum-
19 bia and other activities chargeable in whole or in
20 part against the revenues of the District.

21 “(5) The Departments of Labor, Health and
22 Human Services, and Education, and related agen-
23 cies.

1 “(6) The Department of Housing and Urban
2 Development, and sundry independent agencies,
3 boards, commissions, corporations, and offices.

4 “(7) Energy and water development.

5 “(8) Foreign assistance and related programs.

6 “(9) The Department of the Interior and re-
7 lated agencies.

8 “(10) Military construction.

9 “(11) The Department of Transportation and
10 related agencies.

11 “(12) The Treasury Department, the U.S.
12 Postal Service, the Executive Office of the President,
13 and certain independent agencies.

14 “(13) The legislative branch.”.

15 (b) CONFORMING AMENDMENT.—Section 202(e)(3)
16 of the Congressional Budget Act of 1974 is amended by
17 inserting “and on or before September 30” before “of each
18 year”.

19 (c) CHAPTER ANALYSIS.—The analysis of chapter 13
20 of title 31, United States Code, is amended by inserting
21 after the item relating to section 1310 the following new
22 item:

“1311. Continuing appropriations.”.

23 (d) EFFECT OF AMENDMENTS.—Nothing in the
24 amendments made by this section shall be construed to
25 affect Government obligations mandated by other law, in-

1 cluding obligations with respect to social security, medi-
 2 care, and medicaid.

3 **TITLE VII—BUDGETING IN AN** 4 **ERA OF SURPLUSES**

5 **SEC. 701. PAYGO REQUIREMENTS AND THE ON-BUDGET** 6 **SURPLUS.**

7 (a) Section 252(a) of the Balanced Budget and
 8 Emergency Deficit Control Act of 1985 is amended to
 9 read as follows:

10 “(a) PURPOSE.—The purpose of this section is to
 11 trigger an offsetting sequestration in the amount by which
 12 any excess of decreases in receipts and increases in direct
 13 spending over increases in receipts and decreases in direct
 14 spending, caused by all direct spending and receipts legis-
 15 lation enacted prior to October 1, 2002, exceeds estimates
 16 of the on-budget surplus.”.

17 (b) TIMING AND CALCULATION OF SEQUESTRA-
 18 TION.—Section 252(b) of the Balanced Budget and Emer-
 19 gency Deficit Control Act of 1985 is amended to read as
 20 follows:

21 “(b) SEQUESTRATION.—

22 “(1) TIMING.—Not later than 15 calendar days
 23 after the date Congress adjourns to end a session
 24 and on the same day as a sequestration (if any)

1 under section 251, there shall be a sequestration to
2 offset an amount equal to—

3 “(A) any excess of decreases in receipts
4 and increases in direct spending over increases
5 in receipts and decreases in direct spending for
6 legislation enacted prior to October 1, 2002;
7 minus

8 “(B) the estimated on-budget surplus,
9 as calculated under paragraph (2).

10 “(2) CALCULATION OF SEQUESTRATION.—OMB
11 shall calculate the amount of the sequestration by
12 adding—

13 “(A) all OMB estimates for the budget
14 year of direct spending and receipts legislation
15 transmitted under subsection (d) for legislation
16 enacted prior to October 1, 2002;

17 “(B) the estimated amount of savings in
18 direct spending programs applicable to the
19 budget year resulting from the prior year’s se-
20 questration under this section, if any, as pub-
21 lished in OMB’s final sequestration report for
22 that prior year; and

23 “(C) all OMB estimates for the current
24 year that were not reflected in the final OMB
25 sequestration report for that year; and

1 then by subtracting from such sum the OMB esti-
2 mate for the budget year of the on-budget surplus
3 (if any) as set forth in the OMB sequestration up-
4 date report.”.

5 (c) PREVIEW REPORTS.—Section 254(c)(3) of the
6 Balanced Budget and Emergency Deficit Control Act of
7 1985 is amended by redesignating subparagraph (C) as
8 subparagraph (D) and by adding after subparagraph (B)
9 the following new subparagraph:

10 “(C) The estimated on-budget surplus for
11 the budget year (if any) shall exclude all esti-
12 mates of direct spending and receipts legislation
13 for such year enacted after the date of enact-
14 ment of this subparagraph (as estimated by
15 OMB when such legislation was originally en-
16 acted). Except as provided by the preceding
17 sentence, the following assumptions shall apply
18 to the calculation of such estimated surplus:
19 Budgetary resources other than unobligated
20 balances shall be at the level provided for the
21 budget year in a regular appropriation Act or
22 a joint resolution (other than pursuant to sec-
23 tion 1311 of title 31, United States Code) con-
24 tinuing appropriations through the end of the
25 budget year, but if for any account a full-year

1 appropriation has not yet been enacted, budg-
2 etary resources other than unobligated balances
3 shall be at the level available in the current
4 year, adjusted using the assumptions set forth
5 in section 257(c).”.

6 (d) FINAL SEQUESTRATION REPORT.—Section
7 254(f)(3) of the Balanced Budget and Emergency Deficit
8 Control Act of 1985 is amended by adding at the end the
9 following new sentence: “In calculating the estimated on-
10 budget surplus pursuant to section 252(b)(2), notwith-
11 standing section 254(j), OMB shall use economic and
12 technical assumptions that are up-to-date as of the date
13 of issuance of the sequestration preview reports.”.

14 (e) DEFINITION OF ON-BUDGET SURPLUS.—Section
15 250(c) of the Balanced Budget and Emergency Deficit
16 Control Act of 1985 is amended by adding at the end the
17 following new paragraph:

18 “(20) The term ‘on-budget surplus’ means, with
19 respect to a fiscal year, the amount by which re-
20 ceipts exceed outlays for all spending and receipt ac-
21 counts of the United States Government that are
22 designated as on-budget. Such term does not include
23 outlays and receipts of the Federal Old-Age and
24 Survivors Insurance Trust Fund, the Federal Dis-

1 ability Insurance Trust Fund, or any other off-budg-
 2 et entity.”.

3 (f) EXPEDITED RECONCILIATION PROCESS.—Section
 4 258C of the Balanced Budget and Emergency Deficit
 5 Control Act of 1985 is amended as follows:

6 (1) The side heading of subsection (a) is
 7 amended by inserting “OR IN THE HOUSE OF REP-
 8 RESENTATIVES” after “SENATE”.

9 (2) In paragraphs (1), (2), (3), and (4) of sub-
 10 section (a), insert “or House” after “Senate” each
 11 place it appears.

12 (3) In subsection (a)(7), strike “For” and in-
 13 sert “In the Senate, for”.

14 (4) In subsection (b)(1), insert “or House”
 15 after “Senate”.

16 (5) In the side heading of subsection (b)(4), in-
 17 sert “OTHER” after “THE”.

18 (6) In subsection (b)(4), strike “in the Senate
 19 from the House” and insert “in the Senate or House
 20 of Representatives from the other House”, strike
 21 “Senate” the second place it appears and insert
 22 “Senate or House of Representatives, as the case
 23 may be,”, and strike “Senate” the third place it ap-
 24 pears and insert “in the applicable House”.

1 **TITLE VIII—SOCIAL SECURITY**
 2 **SURPLUS PROTECTION ACT**
 3 **OF 1999**

4 **SEC. 801. SHORT TITLE.**

5 This title may be cited as the “Social Security Sur-
 6 plus Protection Act of 1999”.

7 **SEC. 802. SEQUESTER TO PROTECT THE SOCIAL SECURITY**
 8 **SURPLUS.**

9 Section 251 of the Balanced Budget and Emergency
 10 Deficit Control Act of 1985 (2 U.S.C. 901) is amended
 11 by adding at the end the following:

12 “(d) SOCIAL SECURITY SURPLUS PROTECTION SE-
 13 QUESTER.—

14 “(1) IN GENERAL.—Within 15 calendar days
 15 after Congress adjourns to end a session and on the
 16 same day as a sequestration (if any) under sub-
 17 section (a), section 252, and section 253, there shall
 18 be a sequestration to eliminate any on-budget deficit
 19 (excluding any surplus in the Social Security Trust
 20 Funds).

21 “(2) ELIMINATING DEFICIT.—The sequester re-
 22 quired by this subsection shall be applied in accord-
 23 ance with the procedures set forth in subsection (a).

- 1 The on-budget deficit shall not be subject to adjust-
- 2 ment for any purpose.”.

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